

FISCAL NOTE

HB 442 - SB 544

March 1, 1997

SUMMARY OF BILL: Requires that if the federal government reduces or eliminates any tax imposed upon the sale or use of petroleum or other products which is allocated to the state, the Department of Revenue shall impose and collect such tax in an amount equal to the reduction in federal tax imposed. Such tax collection would be earmarked for the Highway Trust Fund.

ESTIMATED FISCAL IMPACT:

Net Impact State Revenues - No Effect / Highway Fund

Increase State Expenditures - Exceeds \$100,000 One Time / To the extent such reduction occurs

- Exceeds \$500,000 Recurring / To the extent such reduction occurs

Assumes no change to tax collection levels since the bill specifies that the tax would be imposed by the state ***"equal to the reduction in the federal tax."***

If such taxes were to be eliminated or reduced, it is estimated that the Department of Revenue would have a one time increase in expenditures exceeding \$100,000 and a recurring increase in expenditures exceeding \$500,000 for implementation and administration of such tax. This assumes that up to five different taxes which are currently imposed on petroleum and other products and are allocated to the states would be administered by Tennessee.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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